

Message Text

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43

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FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 6311

UNCLAS VIENNA 6579

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TAGS: ETRD, EAIR, US, AU

SUBJ: CIVIL AVIATION: RECIPROCAL EXEMPTION FROM CUSTOMS DUTIES
AND TAXES ON AIRCRAFT SUPPLIES

REFS: A. STATE 174727; B. VIENNA A-262; C. VIENNA 3706

1. UNDER SECTION 30, SUB-PARAGRAPH H) OF AUSTRIAN TARIFF
LAW OF 1955, AS AMENDED, FOREIGN AIRLINES SERVING AUSTRIAN
ARE GRANTED TARIFF EXEMPTIONS FOR QUOTE OPERATING EQUIPMENT
AND OTHER SERVICE SUPPLIES UNQUOTE. THESE INCLUDE OFFICE
SUPPLIES AND FURNISHINGS, SERVICE UNIFORMS, AIRCRAFT
MAINTENANCE AND REPAIR EQUIPMENT AS WELL AS GROUND SERVICE
EQUIPMENT. THESE PRIVILEGES ARE, HOWEVER, SUBJECT TO
RECIPROCITY ON PART OF FOREIGN COUNTRY CONCERNED.

2. UNDER SECTION 35, SUB-PARAGRAPH (B) OF ABOVE LAW,
TARIFF EXEMPTION IS GRANTED FOR FUEL CARRIED ON BOARD OF
AUSTRIAN AND FOREIGN AIRCRAFT ON FLIGHTS INTO AND FROM
AUSTRIA IN QUANTITIES REQUIRED FOR PERFORMANCE OF FLIGHT
OR TAKEN ON BOARD AIRCRAFT UPON LEAVING AUSTRIAN
TERRITORY.

3. UNDER SECTION 6, PARAGRAPH 4 OF AUSTRIAN PETROLEUM
TAX LAW OF 1959, FUEL USED IN INTERNATIONAL AIR
SERVICE BY SCHEDULED AND NON-SCHEDULED AIR CARRIERS,
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IS EXEMPT FROM TAX IF TAKEN ON BOARD AIRCRAFT AT LAST

STOP BEFORE LEAVING AUSTRIAN TERRITORY. ACCORDINGLY AND BECAUSE OF SIZE OF AUSTRIAN TERRITORY ALL INTERNATIONAL OPERATIONS OF FOREIGN AND AUSTRIAN AIRLINES INTO AND FROM AUSTRIA ARE TAX-FREE, SUBSTANTIALLY AND IN FACT.

4. IN ORDER TO ESTABLISH RECIPROCAL STATUS AUSTRIAN AIRLINES HAS NOW DECIDED TO FLY UPON DELIVERY OF DC-9-50 DIRECTLY FROM DOUGLAS PLANT IN LONG BEACH, CALIF. TO TORONTO, CANADA WITHOUT INTERMEDIATE STOPS IN U.S.

5. AUSTRIAN AIRLINES' FLEET IS EXCLUSIVELY COMPOSED OF U.S.-MADE AIRCRAFT (NINE DC-9-30S). IN ADDITION, AUSTRIAN AIRLINES HAS TWO DC-9-50S ON ORDER WITH MCDONNELL-DOUGLAS, THE ONE TO BE FERRIED TO AUSTRIA AT END OF AUGUST AND ANOTHER ONE SCHEDULED FOR DELIVERY IN EARLY 1976. FOR INFORMATION ON AUSTRIAN AIRLINES' OPERATIONS SEE REF (B).

6. AUSTRIAN AIRLINES BEING AN OLD AND LOYAL CUSTOMER OF U.S. AIRCRAFT MANUFACTURING INDUSTRY, EMBASSY RECOMMENDS FAVORABLE CONSIDERATION OF AUA'S APPLICATION FOR TAX EXEMPTION IN INTEREST OF U.S. EXPORT SALES PROMOTION. IF THERE SHOULD BE ANY DOUBT AS TO THE INTERPRETATION OF RECEPROCITY, DISSIMILARITIES IN TERRITORY AND FACT THAT AUSTRIAN HAS NO AIRCRAFT MANUFACTURING INDUSTRY SHOULD BE TAKEN INTO ACCOUNT.

7. SO FAR NO MEANINGFUL INFORMATION COULD BE OBTAINED FROM PAN AM AND TWA OFFICES HERE; IT WILL BE SUBMITTED IF AND WHEN IT BECOMES AVAILABLE.

8. IN CONNECTION WITH ROUTE SWAP BETWEEN TWA AND PAN AM, TWA HAS APPLICATION PENDING BEFORE AUSTRIAN CUSTOMS AUTHORITIES FOR DUTY-FREE IMPORTATION OF AIRCRAFT GROUND SERVICE EQUIPMENT AND OFFICE SUPPLIES AND FURNISHINGS. AUSTRIAN CUSTOMS AUTHORITIES ASKED FOR STATEMENT OF U.S. CUSTOMS AUTHORITIES AS TO EXTENT OF PRIVILEGES USG WOULD GRANT AUSTRIAN AIRLINES IN ANALOGOUS CASE. EMBASSY UNCLASSIFIED

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PASSED ON TWA'S REQUEST FOR ASSISTANCE IN OBTAINING SUCH RECIPROCITY STATEMENT IN REF (C). NO REPLY HAS BEEN RECEIVED AS YET.BUCHANAN

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